UNITED
NATIONS

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Security Council

Distr.
GENERAL

S/1998/927
7 October 1998

ORIGINAL: ENGLISH

LETTER DATED 7 OCTOBER 1998 FROM THE SECRETARY-GENERAL
ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honour to convey the attached communication, dated 7 October 1998, which I have received from the Director General of the International Atomic Energy Agency.

I should be grateful if this letter could be circulated as a document of the Security Council.

(Signed) Kofi A. ANNAN

98-29571 (E) 081098

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Annex

Letter dated 7 October 1998 from the Director General of the International Atomic Energy Agency addressed to the Secretary-General

In paragraph 16 of its resolution 1051 (1996) of 27 March 1996, the Security Council called for the consolidation of the periodic requirements for progress reports under resolutions 699 (1991), 715 (1991) and 1051 (1996), and requested the Director General to submit such consolidated reports every six months to the Council, commencing on 11 April 1996.

It would therefore be appreciated if you could arrange to transmit to the President of the Security Council the enclosed sixth consolidated semi-annual report under paragraph 16 of resolution 1051 (1996). I remain available for any consultations you or the Council may wish to have.

(Signed) Mohamed ELBARADEI

Appendix

Sixth consolidated report of the Director General of the International Atomic Energy Agency under paragraph 16 of Security Council resolution 1051 (1996)

INTRODUCTION

1. In paragraph 16 of resolution 1051 (1996), adopted on 27 March 1996, the Security Council called for the consolidation of the periodic progress reports required under resolutions 699 (1991), 715 (1991) and 1051 (1996), and requested the Director General of the International Atomic Energy Agency (IAEA) to submit such a consolidated report every six months to the Council, commencing on 11 April 1996.

2. The Director General submits herewith the sixth[a] such consolidated report under paragraph 16 of resolution 1051 (1996).

ONGOING MONITORING AND VERIFICATION

Monitoring inspections

3. In the period under review (1 April-1 October 1998), the IAEA Nuclear Monitoring Group carried out 243 monitoring inspections at some 137 locations, 37 of which were carried out at locations not previously inspected. The number of inspections carried out under the Agency's ongoing monitoring and verification (OMV) plan since the Nuclear Monitoring Group was established in August 1994 now totals almost 1,540. The majority of those inspections were carried out with no prior announcement; a number of them were conducted in cooperation with the monitoring groups of the United Nations Special Commission (UNSCOM). No indication of prohibited materials, equipment or activities was detected during the inspections.

4. Until 5 August 1998, IAEA and UNSCOM continued their implementation of a joint programme of inspection of Iraqi sites that are deemed to have capabilities suitable for conducting work on some aspect of weapons of mass destruction, notwithstanding the lack of evidence or indication of such work. The carrying out of inspections at "capable sites" on a regular basis contributes to the effectiveness of the OMV plan in its ability to detect any attempt to conduct activities prohibited by Security Council resolutions. The current number of inspections at "capable sites" totals some 85. No indication of prohibited equipment, materials or activities has been detected in the course of those inspections.

5. On 5 August, Iraq announced that it was suspending its cooperation with UNSCOM and IAEA. Although IAEA received no formal notification or explanation from Iraq of the suspension of cooperation, it obtained the following information through contact with the Director General of Iraq's National Monitoring Directorate:

(a) Iraq will continue to facilitate OMV inspections at sites for which it routinely provides declarations under the OMV plan;

(b) Iraq will continue to allow IAEA access to locations for the purpose of collecting environmental samples or carrying out radiation surveys;

(c) Iraq will not permit access to capable sites or indeed to any sites other than those for which Iraq routinely provides declarations under the OMV plan;[6]

(d) Iraq will not cooperate in any activity involving investigation of its clandestine nuclear programme.

6. The Agency's OMV plan, which Iraq formally accepted on 26 November 1993, obliges Iraq to accept unconditionally all of the rights of IAEA enumerated in the plan. The rights include full and free access at any time to all sites, facilities, areas, locations, activities, materials and other items, including documentation, and to all persons and all information that, in the Agency's judgement, may be necessary for its OMV activities. Iraq's restriction of monitoring inspections to predefined sites limits the Agency's right of full and free access. As a consequence, IAEA is unable, through capable site inspections, to ensure that prohibited activities are not being carried out in Iraq, free from the risk of detection through direct inspection measures. Iraq's refusal to address any matters related to its clandestine nuclear programme constitutes a further limitation of the Agency's right of full and free access, specifically to information. Thus, IAEA is unable to investigate further its remaining questions and concerns about Iraq's clandestine nuclear programme. The OMV plan is an integral whole that can be meaningfully implemented only in its entirety. Iraq's suspension of cooperation significantly reduces the effectiveness of OMV and the level of assurance provided through ongoing monitoring and verification.

Other ongoing monitoring and verification activities

7. The eleventh radiometric survey of Iraq's main watercourses was carried out from 14 to 28 April. The results of this and previous surveys have shown no indication that Iraq had carried out any prohibited nuclear activities, but, as previously reported, they have confirmed the sensitivity of the technology by detecting Iraq's permitted use of radioisotopes in medical applications.

8. Routine interviews of key Iraqi personnel have continued, but difficulties have been encountered in locating some personnel due to their stated transfer from government jobs to the private sector. Actions are in hand with the Iraqi counterpart to maintain a register of the places of work of key personnel. The interview process is further complicated by Iraq's current suspension of cooperation with IAEA, which has included instructions to Iraqi personnel to not respond to any questions relating to Iraq's clandestine nuclear programme.

9. The third helicopter gamma survey campaign of former Iraqi nuclear-related installations was carried out from 20 May to 12 June. The 1998 campaign included overflights of sites known to have been involved in Iraq's clandestine nuclear programme as well as test flights to verify the technical performance of

the sensor system in various configurations. For the first time, near-real-time analysis capabilities were available, permitting the investigation and resolution, by follow-up inspections on the ground, of anomalies detected during flights. Sites overflown in both 1997 and 1998 showed no statistically significant measurement differences from year to year that might indicate undeclared activities.

10. Work continues on the updating and expansion of the technological components of OMV activities and procedures. Efforts are also under way to consolidate a number of technical measures into a wide-area environmental monitoring programme. In this regard, Iraq is providing the necessary practical and technical support, particularly in connection with the Agency's installation and operation of air-sampling equipment.

Declarations under the ongoing monitoring and verification plan

11. Paragraph 22 and annex 2 of the OMV plan (S/22872/Rev.1 and Rev.1/Corr.1) require Iraq to provide semi-annual declarations, in January and July, on the current use of certain facilities, installations and sites, including those formerly involved in its clandestine nuclear programme, and on changes during the previous six months regarding the inventory and location of materials, equipment and isotopes identified in annexes 3 and 4 of the plan.

12. Iraq's declarations of nuclear material transactions and inventories covering the period from 1 January 1989 to 31 December 1991 were reviewed in detail with the counterpart to further clarify nuclear material flows and inventories at the principal locations at which nuclear material was used or stored during that period. The Iraqi counterpart has provided revised data, which appear to take into account many of the requested clarifications, but some inconsistencies remain to be resolved.

13. Based on the Agency's evaluation of the declarations received in July 1998, there remains outstanding the repeatedly requested implementation by Iraq of quality assurance measures to deal with generic problems regarding accuracy, completeness and internal consistency. In this connection, members of the IAEA Action Team will visit Iraq in October to discuss the adequacy of Iraq's July declarations and to clarify the remaining inconsistencies in Iraq's nuclear material declarations. IAEA experience indicates that the goal of accurate and complete declarations will be achieved only if Iraq assigns additional technical personnel to the task.

Release, relocation and change of use of equipment, material and facilities

14. In the period under review, Iraq's National Monitoring Directorate submitted 27 requests to IAEA for approval of the release or relocation of equipment and materials or of the change of use of monitored buildings. Such requests are processed in consultation with UNSCOM. Twenty-four of the 27 requests have been approved, and 3 are awaiting the provision of additional information by the Iraqi counterpart. Items for which release, relocation or change of use is approved remain subject to ongoing monitoring and verification at a frequency commensurate with their significance.

Export/import mechanism

15. The export/import monitoring mechanism for Iraq, jointly administered by UNSCOM and IAEA, has, since October 1996, received notifications of some 190 transactions involving the intended export to Iraq of items identified in the annexes to the respective OMV plans. Seven of those notifications involved items identified in annex 3 to the Agency's OMV plan.

The adoption by Iraq of measures to implement its obligations

16. Paragraph 34 of the Agency's OMV plan requires that Iraq adopt the necessary measures to implement its obligations under the relevant Security Council resolutions and enact penal laws to secure their enforcement. In discussions with the leader of the IAEA Iraq Action Team, Iraq's Deputy Prime Minister, Mr. Tariq Aziz, stated in July that Iraq acknowledged the requirements to adopt the necessary measures and to enact the penal laws, and that it planned to satisfy the requirements before October 1998. No notification has been received to date of Iraq's progress in that regard.

STATUS OF THE AGENCY'S VERIFICATION ACTIVITIES IN IRAQ

17. As reported in detail in the progress report dated 8 October 1997 (document S/1997/779), and based on all credible information available to date, the Agency's verification activities in Iraq have resulted in the evolution of a technically coherent picture of Iraq's clandestine nuclear programme. The verification activities have revealed no indications that Iraq had achieved its programme objective of producing nuclear weapons or that Iraq had produced more than a few grams of weapon-usable nuclear material or had clandestinely acquired such material. Furthermore, there are no indications that there remains in Iraq any physical capability for the production of weapon-usable nuclear material of any practical significance. In February 1994, IAEA completed the removal from Iraq of all weapon-usable nuclear material - essentially research reactor fuel - under IAEA safeguards.

18. In the same report, IAEA further reported that there were no indications of significant discrepancies between the technically coherent picture that had evolved of Iraq's clandestine nuclear weapons programme and the information contained in Iraq's "Full, Final and Complete Declaration". The report, however, referred to some elements of uncertainty in the completeness of that picture because of the inevitable limitations of any countrywide verification process. The report also indicated that the limitations in the verification process were not helped by Iraq's lack of full transparency in the provision of certain information and the absence of certain documentation.

19. As previously stated, greater transparency by Iraq would contribute considerably to clarifying the few remaining questions and concerns relevant to Iraq's clandestine nuclear programme. Specific areas are the provision of certain documentary evidence of Iraq's actual technical achievements in nuclear weapon design and centrifuge development, the identification and location of the foreign national allegedly involved in an offer of assistance to Iraq's clandestine nuclear programme and the provision of concrete evidence of the

timing and modalities of its abandonment of that programme, including the adoption of the measures and the enactment of the penal laws referred to in paragraph 16 above.

20. It should be noted, however, that the uncertainties resulting from the above questions and concerns would not of themselves prevent the full implementation of the Agency's OMV plan. Indeed, such elements of uncertainty are factored into the plan, which takes fully into account the extensive technological expertise developed by Iraq in the course of its clandestine nuclear programme, particularly regarding the production of weapon-usable nuclear material. The plan is also predicated on the assumption that Iraq has the knowledge and technical expertise to exploit, for nuclear weapons purposes, any relevant materials or technology to which it may gain access in the future. Nonetheless, it must be recognized that Iraq's direct acquisition of weapon-usable material would present a serious technical challenge to OMV measures, and great reliance must continue to be placed on international controls.

21. To be effective, ongoing monitoring and verification in Iraq as required by the relevant Security Council resolutions, must be comprehensive and intrusive. The OMV plan is an integral whole that can be meaningfully implemented only in its entirety. Its effective implementation is critically dependent upon the full exercise of the Agency's rights of full and free access enshrined in the plan.

22. IAEA continues to allocate most of its resources to the implementation of its OMV plan and to strengthen the technical content of its activities under the plan. However, Iraq's current suspension of cooperation with IAEA limits the Agency's right to full and free access. IAEA is currently unable to investigate further any aspects of Iraq's clandestine nuclear programme or to ensure, through capable site inspections, that prohibited activities are not being carried out in Iraq, free from the risk of detection through direct inspection measures. As a result, the level of assurance provided under the plan is significantly reduced.

23. Should Iraq recommence full cooperation with IAEA, there would be no impediment to the full implementation of the Agency's OMV plan and, as part of that plan, the further investigation of the few remaining questions and concerns and any other aspect of Iraq's clandestine nuclear programme arising out of new information coming to the Agency's attention. The assessment of Iraq's fulfilment of its obligations under resolution 687 (1991) remains the prerogative of the Security Council. However, since the inspection techniques and procedures employed by IAEA, in both its monitoring and its investigation activities, are essentially the same, the scope and content of the Agency's verification activities in Iraq would be largely unaffected should the Security Council decide that Iraq has complied with its obligations under paragraph 12 of resolution 687 (1991).

24. Finally, the attention of the Security Council is drawn to the eventual need to put into effect a mechanism, based upon paragraph 4 of resolution 699 (1991), to secure long-term funding for the implementation costs of the OMV plans of IAEA and the Special Commission.

Notes

[a] The previous consolidated reports of the Director General of IAEA were circulated as documents S/1996/261 of 11 April 1996, S/1996/833 of 7 October 1996, S/1997/297 of 11 April 1997, S/1997/779 of 8 October 1997 and S/1998/312 of 9 April 1998. Document S/1998/694, dated 27 July 1998, contained the text of an interim status report provided in response to the statement of the President of the Security Council dated 14 May 1998 (S/PRST/1998/11).

[b] On 24 September 1998, the IAEA Nuclear Monitoring Group was denied access to the Al Iraqi factory. The facility was originally announced to IAEA in February 1995 and had been inspected on eight previous occasions. Iraq has not been asked to provide routine semi-annual declarations for this facility.